ACQUISITION PLANS AND ACQUISITION STRATEGIES

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What is Acquisition Planning?

FAR 7.104: ""Acquisition planning" means the process by which the efforts of all personnel responsible for an acquisition (A-IPT) are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition."

What is an Acquisition Strategy?

- What is an Acquisition Strategy?
  - A natural, inherent part of acquisition planning
- What is an Acquisition Strategy designed to do?
  - Provide the “roadmap” by which we satisfy the customer’s requirements while meeting other necessary requirements through establishing the best possible contractual relationship given the circumstances. It’s the plan by which we intend to maximize performance outcomes.

What is an Acquisition Strategy?

- It determines how the item is to be bought. Examples:
  - Commercial item? (FAR 2.101/FAR Parts 10, 11, 12)
  - Simplified acquisition procedures/sealed bidding/ negotiation
  - Full and open competition (FAOC)
  - Circumstances permitting other than FAOC (Ref: FAR 6.302)
  - 100% small business set-aside
  - 8(a) set-aside
  - Single year versus multi-year/multiple year
  - Selection of contract type to assign risk

Process to Select/Develop the "Right" Tool (Acq Strategy)

- To select right tool (Acq Strategy) for "job"
  - First identify total requirements
  - Determine their "validity"
  - Analyze all requirements. Determine/resolve:
    - Priorities
    - Conflicts
    - Interdependencies
    - Exclusivities
  - Make decisions in view of performance risk, outcomes and potential disincentives
  - Then develop Acquisition Strategy

The Goal

Design a strategy that maximizes the use of the commercial marketplace while incentivizing performance to meet the customers needs.

Motivations/Incentives

- **Maximum use of commercial items, standards, and quality**
- **Longer terms**
- **Bigger quantities**
- **Award/incentive fees**
- **Use of past performance in source selection**
- **Options**
- **Financing schemes**
- **Payment schemes**
- **Use of commercial warranties**
- **Limits on liabilities**
- **Rights to use in the commercial marketplace**
- **Other favorable terms and conditions.**
- **Liquidated damages**
- **Reduced payments for inferior performance**
- **Bad performance assessments**

When should Acq Planning and Market Research be Performed?

FAR 7.102: For all acquisitions in order to promote/provide for:

(1) Acquisition of commercial items/nondevelopmental items

(2) FAOC or as restricted (Ref: FAR 6.302)

(3) Integrates efforts of all personnel responsible for significant aspects of the acquisition. Purpose ensures Govt meets its needs in the most effective, economical, and timely manner

(4) Should begin as soon as agency need is identified, preferably well in advance of the FY in which contract award is necessary

Where are the Requirements for the Contents of a Formal Acq Plan Set Forth?

- FAR 7.105
- DFARS 207.105

What are DoD Requirements for Preparation of a Formal Acq Plan?

DFARS 207.103(c)(i):

"Military departments and agencies shall prepare written acquisition plans for:

(a) Acquisitions for development, as defined in FAR 35.001, when the total cost of all contracts for the acquisition program is estimated at $5 million or more;

(b) Acquisitions for production or services when total cost of all contracts for the acquisition program is estimated at $30 million or more for all years or $15 million or more for any fiscal year;

(c) Any other acquisition considered appropriate by the department or agency"

NOTE: Not required for a final buy-out or one-time buy/single contract covering all known present and future requirements. This doesn't apply to a multi-year contract or contract with options or phases